



CRYSTAL CROP PROTECTION LIMITED

APPOINTMENT AND REMUNERATION POLICY

SCOPE

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and Senior Management possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

This Policy has been developed and implemented by the Nomination and Remuneration Committee and is applicable to Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (‘the ‘Listing Regulations’) and applies to the following categories of Directors and employees of the Company:

Part I	-	Key Managerial Personnel
Part II	-	Non-executive Directors / Independent Directors
Part III	-	Senior Management and other employees
Part IV	-	Nominee Directors and Investor Observer ¹

DEFINITIONS

- i. “Act” means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.
- ii. “Board” means the Board of Directors of the Company.
- iii. “Independent Director” means an Independent Director of the Company appointed in pursuance of the Act and Listing Regulations.
- iv. “Investor” means an individual or institution (including body corporates, government, banks etc.) that puts money into the Company such as a business for a financial return.

¹ Inserted on the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on February 15, 2023.





- v. “Key Managerial Personnel” or “KMP” means person(s) appointed as such in pursuance of Section 203 of the Act.
- vi. “Nominee Director”² means a director nominated by any financial institution in accordance with the requirements of any legislation now in effect, or of any agreement, or appointed by any Government, or any other person to represent its interest.
- vii. “NRC” means Nomination and Remuneration Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.
- viii. “Investor Observer”⁴ means any individual(s) appointed by any financial institution in accordance with the requirements of any agreement, or appointed by any Government, or any other person to represent its interest.
- ix. “Other Employees” means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- x. “Rules” means the rules framed under the Act.
- xi. “Senior Management” shall mean the personnel of the Company designated/to be designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Regulation 16(1)(d) of the Listing Regulations.
- xii. “Stock Options” means the options given or to be given by the Company as per the prevalent Employees Stock Option Scheme/Plans of the Company.

Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, Listing Regulations or any other relevant law.

Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO), his/her terms of appointment shall be governed by both Part I and Part III of this Policy and in the event of any conflict, the stricter clause shall prevail.

GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS

The prospective Director:

- Should be a reasonable person with integrity and ethical standards.

² Inserted on the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on February 15, 2023.

⁴ Inserted on the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on February 15, 2023.





- Should meet the requirements of the Act, the Listing Regulations and other applicable laws for the time being in force.
- Should have the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, Corporate Governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/NRC.
- Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Is expected to:
 - a. Uphold ethical standards of integrity and probity.
 - b. Act objectively and constructively while exercising his/her duties.
 - c. Exercise his/her responsibilities in a *bonafide* manner in the interest of the Company.
 - d. Devote sufficient time and attention for informed and balanced decision making.
 - e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
 - f. Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
 - g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
 - h. Assist the Company in implementing the best corporate governance practices.
 - i. Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
 - j. Have ability to read and understand the financial statements.
 - k. Protect confidentiality of the confidential and proprietary information of the Company.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.

COMPLIANCES

The terms/ process of appointment / re-appointment and remuneration of the Directors and other employees covered under this Policy shall be governed by the provisions of the Act, Rules, Listing Regulations, other applicable laws and policies and practices of the Company.





DISCLOSURES

This Policy shall be disclosed in the Annual Report of the Company.

REVIEW / AMENDMENT

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Act, Listing Regulations and/or any other applicable law or regulation.

The Appointment and Remuneration Policy has been approved by the Board on February 16, 2018 on recommendation of Nomination and Remuneration Committee.





PART I – KEY MANAGERIAL PERSONNEL

Part I of this Policy comprises of two parts as under:

PART A - Managing Directors / Whole-Time Directors (“EDs”)

PART B - Chief Financial Officer, Company Secretary and other KMPs

PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS (“EDs”)

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as EDs.
- The remuneration payable to the EDs is commensurate with their qualification, experience and capabilities and takes into account the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, performance of the business and the Company.
- The remuneration payable to the EDs is comparable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

In addition to the qualifications and attributes specified in ‘General Qualifications and Attributes’ above, the prospective Director satisfies the criteria set out under the applicable law including the Act and the Listing Regulations for eligibility to be appointed as ED.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider recommendations of NRC and approve the appointment and remuneration, subject to approval of the shareholders of the Company, if required.





Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company.

COMPONENTS OF REMUNERATION / INCREMENTS

Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable pay based on the performance of the individual, business and the Company as a whole as per HR Policy of the Company.
- No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
- Stock Options as per terms of the prevalent Stock Options Plan, if eligible.
- Any other incentive as may be applicable.

ANNUAL INCREMENT

Annual increment will be granted by the Board on recommendation of NRC, based on the performance of the individual, business and the Company as a whole.





PART B - CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND OTHER KMPs

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Chief Financial Officer (“CFO”), Company Secretary (“CS”) and other Key Managerial Personnel (“KMPs”).
- The remuneration payable to CFO, CS and KMPs is commensurate with his/her qualification, experience and capabilities and takes into account the past performance and achievements of such individual. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size and complexity.
- A suitable component of their remuneration is linked to his / her performance, performance of the business and the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualification and experience as may be relevant to the task he / she is expected to perform.

NRC/ Board has the discretion to decide whether qualification, expertise, experience and attributes possessed by the person are sufficient / satisfactory for the concerned position.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Appointment of KMPs (including terms and remuneration) shall be approved by the Board.
- Upon the NRC recommending the appointment of the CFO to the Audit Committee, the Audit Committee shall approve the appointment of CFO and recommend the same to the Board for approval after assessing the qualifications, experience, background, etc.
- Where a KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.





Removal

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other applicable law, rules and regulations, Code of Conduct and / or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

ELEMENTS / COMPONENTS OF REMUNERATION

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole as per HR Policy of the Company.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment will be done by the Managing Director / Whole time Director in consultation with the Chairman of the Company after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of:
 - a) Individual;
 - b) Business function handled by the individual; and
 - c) Company.
- The prevalent rate of increments given by companies of similar nature of business and size;
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.





PART II – NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

OBJECTIVES

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the Listing Regulations and possess appropriate qualifications, experience and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive / Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act and the Listing Regulations.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-executive and/or Independent Directors subject to approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.





ELEMENTS/COMPONENTS OF REMUNERATION

- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Commission within the monetary limit approved by the shareholders of the Company upto 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act.⁶
- Independent Directors will not be entitled to Stock Options.

⁶ Inserted on December 23, 2020





PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and other employees is commensurate with their qualification, experience and capabilities and takes into account their past performance and achievements. Remuneration payable to them is comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of nature of business, size and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he / she is expected to perform.

Chairman of the Company has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned Senior Management position.

- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- The suitable person(s) identified for appointment in the Senior Management shall be approved by Chairman alongwith the terms of appointment and remuneration.
- Appointments to positions other than the Senior Management will be made as per the Company's HR Policy.





Removal

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, the Chairman of the Company may remove such employee from the services of the Company as per HR Policy of the Company.

However, if deemed appropriate, the Chairman of the Company may consult the NRC / Board for further directions / guidance on such appointments and removal.

- Such appointments alongwith the terms of appointment and remuneration / removals, shall be placed before the next meeting of the NRC and Board of Directors for ratification.
- In case of other employees, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

ELEMENTS / COMPONENTS OF REMUNERATION

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole as per HR Policy of the Company.
- Stock Options as per terms of the prevalent Stock Options Plan.
- Any other incentive as may be applicable.

ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment will be done by the Chairman of the Company or any other appropriate authorities after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the:
 - a) Individual;
 - b) Business function handled by the individual; and





c) Company.

- The prevalent rate of increments given by companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employees' category.





PART IV – NOMINEE DIRECTOR(S)/INVESTOR OBSERVER(S)⁷

RATIONALE

The Company may require to appoint nominee director(s) or observer(s) in terms of the arrangement with any financial institution, venture capital or bank or government or government institution or combination of all or any of the above, to represent and safeguard their interest in the Company. This section addresses the appointment of nominee director(s) or observer(s) and payment or reimbursement of expenses incurred by him/her for attending meetings of the Board and its Committees and Shareholders of the Company.

TERMS AND CONDITIONS

- The appointment of the Nominee Director or observer shall be made as per the terms of the arrangements entered with the Investor and applicable laws.
- The terms of appointment of nominee director(s)/observer appointed on the Board of the Company, shall be agreed between the Company and Investor, subject to the limits prescribed in the Companies Act and in any other act/regulation effective at the time of such appointment.
- The expenses incurred for attending the Board and Committee Meetings including their reasonable cost of travel shall be reimbursed to the Nominee Director and Investor observer(s).
- The Nominee Director appointed on the Board of the Company shall not be liable to retire by rotation unless otherwise decided by the Board of Directors.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualifications and experience as may be relevant to the task he/she is expected to perform.

⁷ Inserted pursuant to the resolution passed by the Board of Directors on February 15, 2023





PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- A detailed profile of the Nominee Director along with required disclosures shall be presented before the NRC for its review and consideration. The NRC, after its satisfaction may recommend the appointment of the Nominee Director to the Board on such terms agreed upon with the Investor. The Board will consider the recommendations of the NRC and accordingly, approve the appointment and remuneration (if any) of the Nominee Director subject to the approval of the shareholders of the Company or any authority as may be required.
- The appointment of the Nominee Director shall be formalized in accordance with the applicable laws.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and/or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from the directorship of the Company.
- In case the Nominee Director(s) incurs any disqualification or becomes ineligible to hold the directorship of the Company then this shall be communicated to the Investor and the Investor shall attempt to remove the disqualification at the earliest or nominate another eligible Nominee Director in the place of the existing nominee director.

ELEMENTS / COMPONENTS OF REMUNERATION

Primarily the Nominee Director shall be entitled to compensation in relation to the expenses incurred by him/her for attending the Board meeting, however, fees for acting as a member of the committee(s) of the Company, remuneration and other perquisites/facilities may be paid to such director, if agreed between the Investor and the Company.

The following expenses can be claimed by the Nominee Director:

1. Cost of travel through any mode, such as flights, trains, hired taxis or any local transportation used for attending the meeting).
2. Lodging and Boarding Expenses during the Board Meeting, including hotel stay and meals (1 day prior and/or after the meeting date).
3. Expenses incurred in obtaining independent legal or professional advice in furtherance of his or her duties as a director.





4. Miscellaneous expenses (on an actual basis) incurred related to meetings of the Company.

Further, the compensations payable to the Nominee Director(s) shall be made in parity with the fees/compensations made or agreed to be made to other directors.

